

4/22/77 [1]

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4/22/77
7:45 a.m.

THE PRESIDENT'S SCHEDULE

Friday April 22, 1977

NOT ISSUED

8:15 Dr. Zbigniew Brzezinski - The Oval Office.
8:45 Mr. Frank Moore - The Oval Office.
10:00 Press Conference. (Mr. Jody Powell).
Room 450, EOB.
10:45 Meeting with Senator Thomas F. Eagleton, Congressmen
John Brademas and Paul S. Sarbanes et al. (Mr. Frank Moore).
The Cabinet Room.
11:30 His Excellency, Abd al-Halim Khaddam, Deputy Prime
(30 min.) Minister and Minister of Foreign Affairs of the Syrian
Arab Republic. (Dr. Zbigniew Brzezinski) - Oval Office/
Cabinet Room.
12:15 Lunch with Mr. John Gardner - The Oval Office.
1:30 Mr. Charles Schultze - The Oval Office.
2:00 Mr. Alfred Kahn - The Oval Office.
(15 min.)
2:30 Vice President Walter F. Mondale, Admiral Stansfield Turner,
and Dr. Zbigniew Brzezinski - The Oval Office.
3:00 Newsweek Interview. (Mr. Jody Powell).
The Oval Office.

WELLHEAD - 3⁵⁰/YR
TAX CREDIT - \$188 in '80

WITH HOLDING

GAS TAX - 5¢ = \$6 BIL
\$100 per family
25¢ = \$500

HOME HEAT - PAY BILL

VIETNAM - AIRMAN
5/3 CIVILIAN

PRESS CONFERENCE
4-22-77

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THE PRESIDENT'S SCHEDULE

Friday - April 22, 1977

NOT

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Mr. Frank Moore - The Oval Office.

Press Conference. (Mr. Jody Powell).
Room 450, EOB.

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John Brademas and Paul S. Sarbanes et al. (Mr. Frank M.
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Mr. Alfred Kahn - The Oval Office.

Vice President Walter F. Mondale, Admiral Stansfield Turner
and Dr. Zbigniew Brzezinski - The Oval Office.

Newsweek Interview. (Mr. Jody Powell).
The Oval Office.

Senator Russell Long - The Oval Office.

125-175

THE WHITE HOUSE
WASHINGTON

Brademas
Eagleton
Sarbanes

4-22-77

Matt
Miner

7-4

Cyprus

Defense Agreement

FMS 125-175 40%

\$500 million > Ford

Vienna

{ Mks to Greece / Turkey
Clark Clifford Demirel

Human atrocities

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Khaddam
4-22-77

THE WHITE HOUSE
WASHINGTON

Arabs together

Pakistan →

Flexibility

1977 Council

Position prior to Geneva

Real peace

Be strong

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THE WHITE HOUSE
WASHINGTON

Principles:

- a) Syria wants peace
- b) Will contribute positively
- c) Justice, permanence, stability
- d) Results & Causes
- e) Palestine - essence

Land etc in '67 cause of problem

- f) With us since '40's
- g) US/Palestine dialogue
- h) PLO recognized -
- i) Arab/PLO - good - No
nuclear can speak for PLO
- j) Most important element
- k) Palestine rights

1 - Discuss & them

in UN framework since 1947

2 - Territory &

Jerusalem - Palestine state

THE WHITE HOUSE
WASHINGTON

- l) Link \bar{c} Jordan -
ok \bar{c} Syria if \bar{c} J/PLO
m) Represent in Geneva
PLO attendance - Syria decision
independent
n) Real peace
1. End of belligerency
2. Guarantees - no war
3. Economic benefits
4.

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THE WHITE HOUSE
SIGNATURE MUST BE SECURED

TO:

DATE... 4/22/77

The Honorable Joseph A. Califano NUMBER 005798
Secretary of Health Education & Welfare
Washington, D. C. 20201

TIME REC'D 2:15

RECEIVED BY ... Mary Pitts

DELIVERED BY ... Rick Hutcheson

RETURN RECEIPT ROOM 54 IN O. E. O. B.

THE WHITE HOUSE
WASHINGTON

April 22, 1977

Secretary Califano
Stu Eizenstat
Jack Watson

The attached was returned in the
President's outbox and is forwarded
to you for your information and
appropriate action.

WHS REG Rick Hutcheson

Re: Office of Education
Reorganization

THE WHITE HOUSE
WASHINGTON

cc Califano

ACTION	FYI
	MONDALE
	COSTANZA
<input checked="" type="checkbox"/>	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
<input checked="" type="checkbox"/>	WATSON

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	GAMMILL
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HOYT
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LANCE
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	B. RAINWATER
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	SCHULTZE
<input type="checkbox"/>	SIEGEL
<input type="checkbox"/>	SMITH
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	WELLS
<input type="checkbox"/>	VOORDE



THE PRESIDENT HAS DEEMED
THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

Good
J

April 8, 1977

1977 APR 9 PM 1 35

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Office of Education Reorganization

Following our recent Department-wide reorganization, we are now moving to reorganize HEW's five major operating divisions. The first is the Office of Education. Commissioner Boyer has prepared a comprehensive plan to streamline the structure, strengthen the management, and minimize adverse personnel impact.

PROPOSED RESTRUCTURING

Staff Reporting to Commissioner: Currently, twenty-eight people, (including 26 staff offices) report directly to the Commissioner. This cluttered and confusing arrangement has grown over the years, with each Commissioner adding layers of special assistants and pet programs to his office, leading to duplication, overlap, and competition for access and authority. We will reduce the number of people, reporting directly to the Commissioner, from 28 to 7, and the number of staff offices with direct access, from 26 to 5. This move will greatly increase the effectiveness of the office and eliminate what has been widely viewed as a hopelessly top-heavy bureaucracy.

The Executive Deputyship: Currently the Commissioner of Education is backed up by one Executive Deputy. In the past, this Deputy supervised five program Bureaus with over one hundred and sixteen separate programs and all of the support activities which service these programs. Dr. Boyer proposes to have two Executive Deputies, one to work with the program Bureaus, the other to supervise the support services. Under this arrangement, OE will tighten management, especially in the key areas of grants and contracts, regulation writing and review, audits, and program evaluation.

The Bureaus: In my Department-wide reorganization, we created a new Bureau within OE, in addition to five existing Bureaus. This new Bureau brought together previously fragmented student financial assistance programs. These different

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Bureaus have many closely related functions, assigned to them by law. We are introducing a new "team" approach within OE -- a strategy which will bring together staff people from the separate Bureaus to work together on new missions. This new approach -- "functional reorganization of the Bureaus" -- means that Federal priorities will be more sharply focused, and economies can be achieved.

Personnel Impact: Full personnel details are being worked out. At this point, however, we believe the reorganization will mean reassignment or job clarification, rather than abolishments or downgrading, for almost everyone involved.

TIMETABLE FOR IMPLEMENTATION

We have scheduled a press conference to announce OE's reorganization on Monday, April 11th, at 11:30 a.m. Meanwhile, we have talked to relevant OE personnel, Congressional staff, and key educators. Following a period of consultation with the unions, which is required by contract, Commissioner Boyer will submit his reorganization to me with immediate implementation plans.

IMPACT OF REORGANIZATION

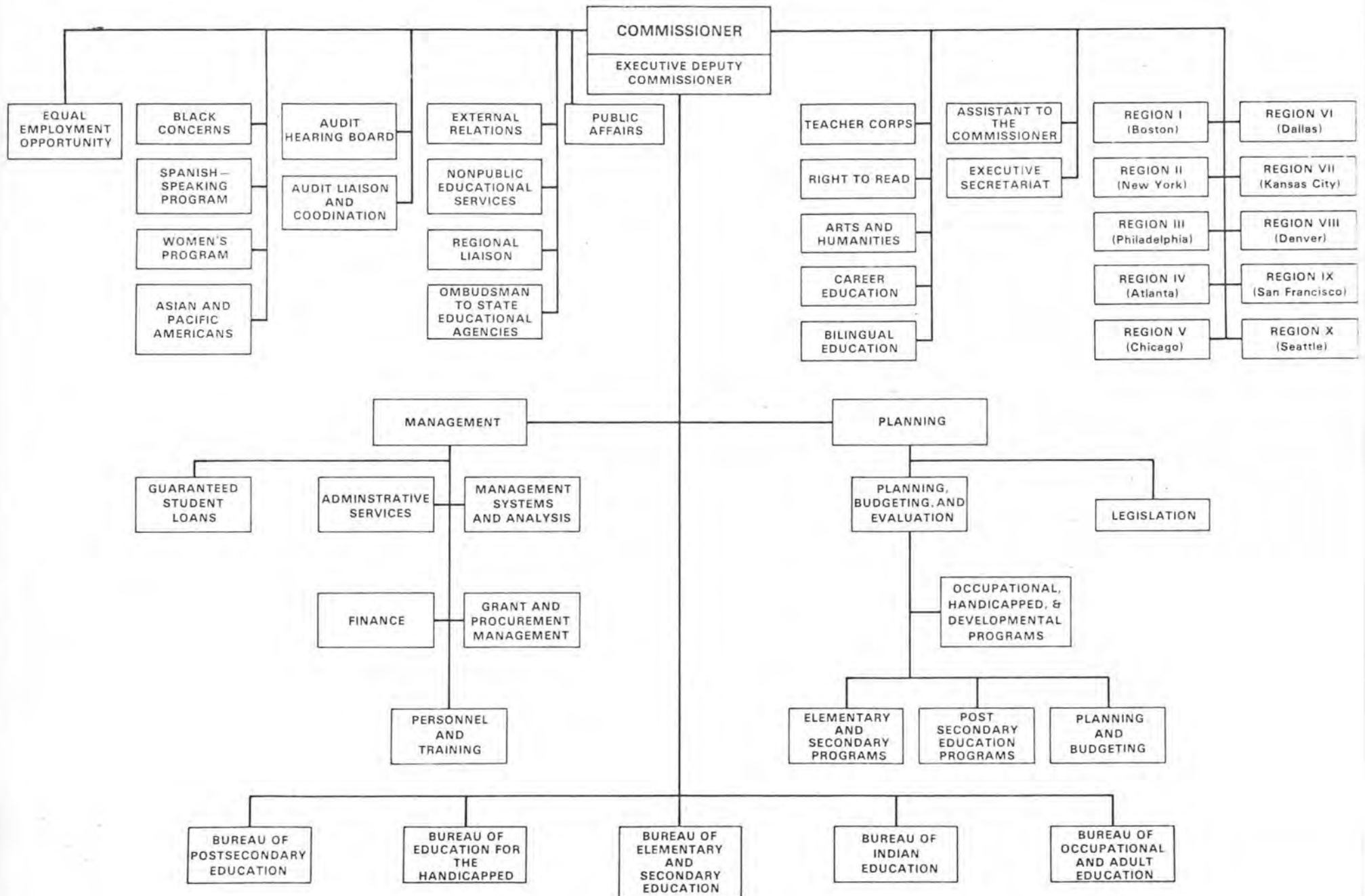
When implemented, this plan will create the most effective structure in OE's history. Over all, there should be a very positive response to this initiative, which strengthens leadership and tightens control. No immediate savings will be realized. But with sound management now possible in OE, future efficiencies and economies should result. Program control and accountability will be greatly improved.

I have attached two charts to illustrate the major changes effected by this plan.

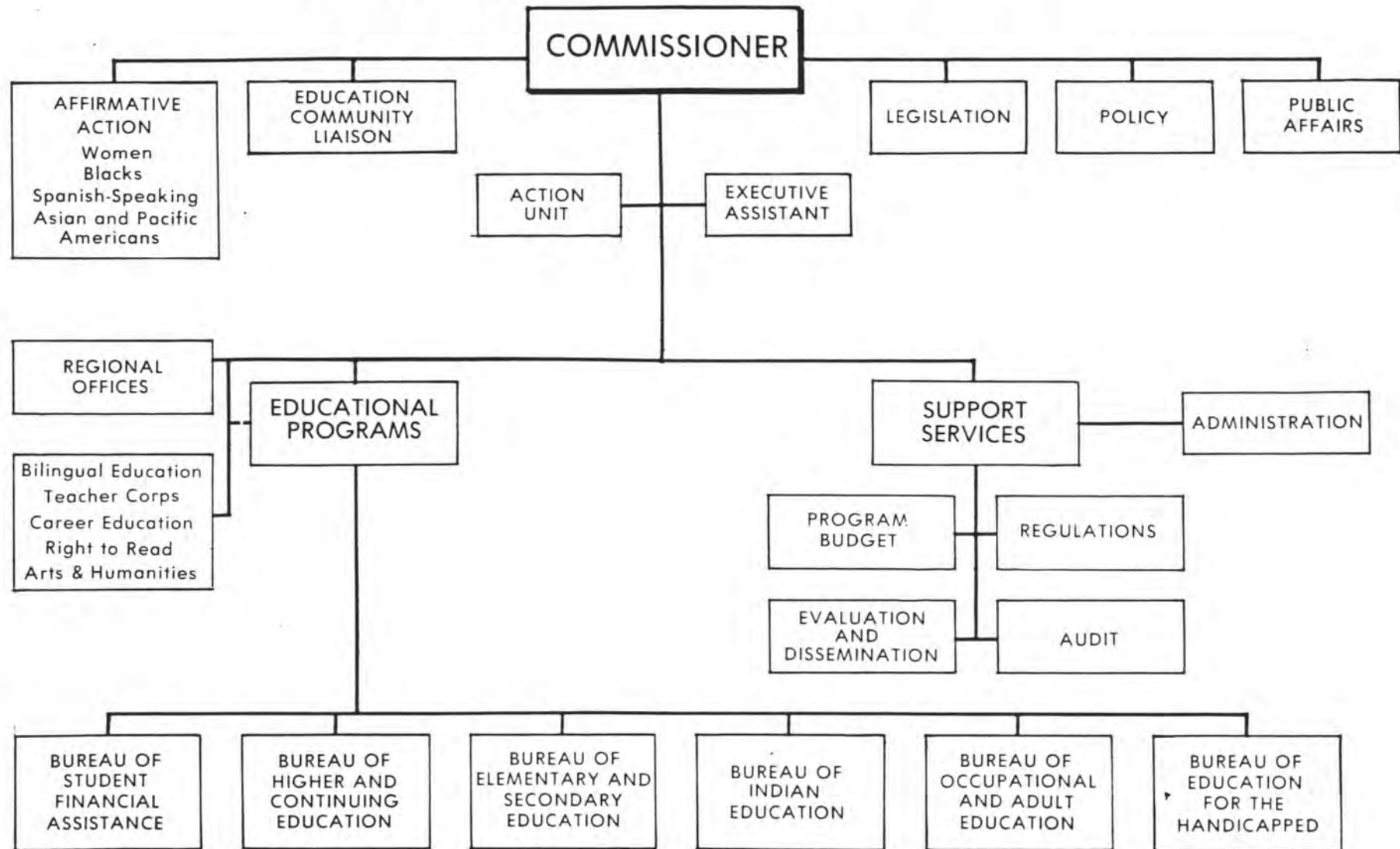

Joseph A. Califano, Jr.

Enclosures

OE: PAST ORGANIZATION



OE: PROPOSED FUNCTIONAL REORGANIZATION



WHITE HOUSE
WASHINGTON

April 22, 1977

To Patricia Reno

I appreciate your words of support
and confidence. Thanks!

Sincerely,

Jimmy

Mrs. Patricia Reno
Apartment 215
3400 Ben Lomond Place
Los Angeles, California 90027

*ps I'll try to keep my
open heart!*

✓
L6

THE WHITE HOUSE
WASHINGTON

ACTION
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
X	HUTCHESON
	JAGODA
	KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

done

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

April 22, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Rick Hutcheson *Bill Simon for RH*

SUBJECT: STATUS OF PRESIDENTIAL REQUESTS

Follow-up of Previous Reports:

1. Eizenstat: What can we do without legislation to maximize openness in government -- In Progress.
2. Eizenstat: The President will deliver an early environmental message -- if good -- In Progress, (tentatively planned for early May).
3. Brzezinski: Check on the need for travel of Leo Cherne of PFIAB -- In Progress, (with the Vice President as part of EOP Reorganization Study). *done*
4. Blumenthal: Go over tax reform principles, general goals, and procedures with EPG; submit back to the President your 2/8 memo with any amendments and/or comments -- In Progress, (tax reform proposals expected 9/1/77).
5. Eizenstat: Prepare a draft message to Congress on the opportunity for regulatory reform and consult with the Cabinet -- In Progress.
6. Schultze/Lance: What rules on overtime should be established to prevent circumvention of employment limits in government -- Done (3/18). *done*
7. Bell: You know of the President's promise to make the Attorney General independent of White House control and influence. Please consult with your advisors and prepare draft legislation -- In Progress (DOJ proposal with Lipshutz; memo to the President expected 4/29).
8. Jordan: Let's firm up the Navy Renegotiation Board Monday -- In Progress, (No further progress on appointments can be made until dispute over the Minish Bill is cleared up).

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MEMORANDUM FOR THE PRESIDENT

PAGE 2

9. Schultze, Blumenthal, Vance: What can we do about the Bahama Banks -- In Progress (with Treasury, status report expected 4/27).
10. Eizenstat: Check with Congressional leaders regarding Cargo Preference legislation and report back to the President -- In Progress, (Stu and Commerce negotiating with Congressional leaders).
11. Eizenstat: Assess priority and proper functions of the Corps -- In Progress, (second meeting held 4/20 to devise work plan for developing reform proposals).
12. Eizenstat: You should talk with Bob Strauss to determine what should be done regarding duty imposed by U.S. concerning imports of men's suits -- In Progress, (expected 4/29, previously expected 4/22).
13. Eizenstat: Begin working on Notre Dame speech outline for May -- In Progress, (with Fallows, expected 5/10).
14. Bell: Progress on court reform, organized crime, etc. -- In Progress, (progress report expected in 4/22 Cabinet Summary).
15. Bourne: We should prepare an overall message regarding drugs, please comment -- In Progress, (expected 4/29, previously expected 4/22).
16. Califano: Can there be recognition by the National Cancer Institute as a comprehensive cancer center (regarding letter from Governor Teasdale) -- In Progress, (expected 4/29).
17. Hugh Carter: Assess and implement where possible; tabulate and give the President a report and any questions regarding the information package from John Dunn concerning material for archives, Presidential papers, photographs, etc. -- In Progress, (expected 5/6).
18. Eizenstat: Assess Federal Information Centers for FY Budget -- In Progress.

done

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MEMORANDUM FOR THE PRESIDENT
PAGE 3

19. Brzezinski: Brief comment on both Bourne memos, a) regarding possible speech to World Health Assembly in Geneva, b) proposed Joint U.S./U.S.S.R. Medical Science Agreement to Collaborate on Public Health Programs in the Third World -- Done. *done*
20. Eizenstat: Get an Option Paper from Secretary Adams on Lock and Dam 26 -- In Progress, (expected 4/25, previously expected 4/21).
21. Brzezinski: Please personally assess Bourne's World Health Initiative -- In Progress. *done*
22. Lance: (Confidential) Let one of your staff assess Rickover's points for the President regarding recommendations to reduce the number of flag/general officers -- In Progress, (expected 4/29, previously expected 4/19).
23. Schlesinger: In a few weeks (or sooner) the President needs a 30 minute briefing on the entire R & D program on nuclear fusion, with basic charts; before summit would help -- Done (meeting set for 4/28).
24. Jordan: Let the President see the list of names before any action is taken on EPA Regional Directors -- Message Conveyed, (in progress with Doug Costle).
25. Adams: Are minimum requirements of off-street parking, one-way streets, etc., a prerequisite for grant approval -- Done (in last week's Cabinet Summary). *done*
26. Watson/J. Frank: You should expedite and give the President a date on a decision memo concerning "undocumented workers" -- In Progress, (expected 4/29, previously expected 4/19).
27. Lance: Please have your staff assess the Renegotiation (Minish) Bill for the President -- Done. *done*

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MEMORANDUM FOR THE PRESIDENT
PAGE 4

28. Lance: Pursuant to your conversation with the President, prepare a one page form describing consultant contracts in effect in our government -- In Progress, (expected 4/29). *appeal etc*
29. Califano: Please act and let the President and Lance know how we can help reduce the federal regulatory and reporting burdens on high education, as recommended in the letter from the American Council on Education -- In Progress.

April 14:

1. Brzezinski/Vance: The latter part of next week there needs to be a meeting with a few Senators just to discuss SALT; (requested by Sen. Bryd) -- In Progress, (to be scheduled for next week).
2. Brzezinski: Staff analysis indicates that you have 105 persons; this is more than the President thought. Why so many? -- Done. *done*
3. Lipshutz/Jordan/H. Carter/Harden: Move everyone possible from the White House to the EOB, and from the EOB to the Agencies with regard to the size of the White House Staff -- In Progress (as part of the EOP Reorganization Study).

April 15:

1. Bell: Please ask Irving Shapiro to finish the FBI Director recommendation on time -- Done, (You have given Shapiro 30 more days). *done*
2. Kraft: Schedule a regular monthly lunch with the President, Schultze, Blumenthal, and Arthur Burns -- Done. *done*
3. First Lady: Someone on Mental Health Commission should go over the final report on the Task Force on Responsible Decisions About Alcohol -- In Progress, (expected 4/29). *done*
4. Brzezinski/Vice President: Check Amendments with Cy -- In Progress.

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MEMORANDUM FOR THE PRESIDENT
PAGE 5

5. Brzezinski: Get Secretary Brown's position for the President regarding the SCC Meeting on warrant requirement for NSA activities -- Done. *done*

April 16:

1. Vance: Please designate someone to prepare immediate replies to foreign heads of state, submit the reply to you and then directly to the President. (Delays in the State Department are appalling. The President is sure you agree). Also get the original letter to the President without delay. Please check present status of all such letters -- Done (Vance sent the President a status report 4/17). *done*
2. Eizenstat/Daft/Kraft: Schedule meeting with Secretary Bergland on Farm Policy Memo -- Done. *done*

April 18:

1. Lance: Please let someone from OMB or Stu's staff discuss briefly with Rickover the Administration's position on H.R. 5959, The Renegotiation Reform Act of 1977, "the Minish Bill" -- Done (Bo Cutter met with him 4/20). *done*
2. Brzezinski: Show the President what "this" means (concerning the memo on the Salt Commission) (Secret). -- Done. *done*

April 19:

1. Vance/ Brzezinski: Brief comment on the memo from Senator McGovern on the Merits and Tactics of Partially Lifting the Cuban Embargo -- In Progress, (expected 4/27). *done*
2. Brzezinski: How do the SR-71 "Black Bird" flights compare with the actual flights? -- Done.
3. Moore/Eizenstat: Follow-up personally on the letter from Rep. Butler Derrick on OMB's data used in deletions of the water projects, etc. -- In Progress.

MEMORANDUM FOR THE PRESIDENT
PAGE 6

April 20:

1. Bergland: Please take a personal interest in The NEW YORK TIMES article, "Discovery of Blight May Aid Chestnuts", 4/20/77, and keep the President informed -- Message Conveyed. *done*
2. Vice President: (Secret) Please talk to Kennedy personally to see if he can support Browns's position on the Foreign Intelligence Electronic Surveillance Legislation; if not, see the President -- In Progress, (Vice President and Attorney General Bell to see you on this matter). *done*
3. Brzezinski/Eizenstat/Kraft: (Secret) We need a meeting on the 4/15 memos regarding Proliferation Issues and U.S. Attitude Toward Reprocessing Abroad -- Done. *done*
4. Lipshutz: On the memo regarding Executive Protection Service in New York City for U.S. Missions of several countries, a) what does it cost, b) what is done in other countries -- Done. *done*

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: THE PRESIDENT

FROM:

Jack Watson *Jack*

April 22, 1977

RE:

Proposed Agenda for the Cabinet
Meeting, Monday, April 25, 1977

1. Presentation by Ray Marshall on labor law reform. (15-20 minutes)
2. Federal audio-visual activities (per Barry Jagoda's memorandum attached).
3. Stress need for strong, informed Cabinet support of the energy plan--both on the Hill and in their public speeches.
4. Discuss plan to combine Cabinet meeting on May 2 with the meeting with Congressional leadership to discuss long-range budget review (explain briefly the purpose and format of the meeting).
5. You might mention briefly your general plans for the International Summit trip (Since the May 2 Cabinet meeting will be held jointly with the Congressional leadership, this will be your last chance to comment on your trip to the Cabinet before your departure).

Reminder--you asked Messrs. Vance, Blumenthal, Strauss, Brzezinski and Brown to give you a list of suggested travellers for the trip to London.

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Attachment

CC: The Vice President

THE WHITE HOUSE
WASHINGTON
April 7, 1977

*Put on cabinet
agenda for Mon
J*

THE PRESIDENT'S OFFICE
1977 APR 21 AM 10 02

MEMORANDUM FOR THE PRESIDENT

FROM: BARRY JAGODA **B.J.**
SUBJECT: Federal Audio Visual Activities

The Government has turned into a huge producer of films, TV shows, etc. It owns at least \$2 billion worth of equipment and has 23,000 people working in this area. No one knows the annual expenditure; it has been estimated at \$500 million. In 1976 the Agriculture Department alone made 94 films.

There is tremendous waste in this program. Many products are of low quality, and some are merely propaganda by agencies for their own programs. For example, the Social Security Administration is planning to spend \$115,000 on a film on the benefits of social security, though it is unclear that this program needs to be promoted or who will see the film. The Agriculture Department is doing a film on killer bees, on location in French Guiana and elsewhere, "to counter the sensational approach in the media". And the Air Force has a massive film center in California that has operated for years at 15% capacity.

I have talked with several Cabinet members and with OMB staffers about assisting them in controlling these programs. For example, we could save money by consolidating facilities and eliminating unnecessary productions. And we could improve quality by giving grants to public television to make objective shows that will reach large numbers of people, instead of making propagandistic films that may wind up on library shelves. I would like to help the Cabinet in an on-going effort in this area.

#

Approve ✓

Disapprove _____

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

April 22, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Domestic Policy Staff Status Report

HUMAN RESOURCES

Social Security Financing: HEW has presented their proposals to OMB and the EPG. A decision memo and a briefing are scheduled for you the week of April 25th. The first hearing in the House is scheduled for May 9.

Welfare Reform: HEW and Labor are continuing to work on detailing options based on the principles they presented. They are in the process of scheduling a briefing. They are also devising a scenario for what they will present to you on May 1 and how long it will take to actually prepare the legislation.

Community Services Administration: The \$200 million for paying fuel bills will be in the supplemental appropriation bill. We are working with OMB to insure that CSA has properly prepared to administer the money. Many problems are likely. We are exploring the possibility of converting some of the money to use in winterizing homes in accordance with the energy problem.

Veterans: We are beginning to work with NSC and DOD on the double-dipping problem. This is a red flag issue with the service organizations.

Child Nutrition: We have worked with Agriculture and OMB on the Administration proposals to reform the child nutrition programs, particularly the summer feeding program. The Department will be presenting a proposal this week which tightens up the summer program and reduces the potential for profiteering and abuse.

Handicapped: We are continuing to work with HEW and the handicapped groups on the section 504 regulations. The regulations are due to be issued next week.

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Aging: We are working with the House Select Committee on Aging and the Civil Service Commission on a proposal to eliminate the mandatory retirement requirement for federal employees.

Hospital Cost Containment: Legislation scheduled to reach Hill April 25. *done*

Health Message: Scheduled to be delivered to Hill April 25. *done*

Comprehensive Health Assessment and Primary Groups for Children (CHAPS): Legislation is scheduled to reach Hill on April 25. *done*

Bakke vs. Regents of University of California: California reverse descrimination case brought by Bakke against the University of California Medical School. HEW is gathering data to transmit to Department of Justice. Data will be used to decide whether DOJ should intervene in the case, in support of voluntary special admissions programs to increase minority enrollment.

Adams vs. Califano: The suit was brought by NAACP Legal Defense Fund against HEW to stop allocation of funds to states, including Georgia, with dual systems of higher education. A new study group headed by Assistant Secretary of Education Berry is formulating model compliance plans for reply to the court.

ENERGY AND NATURAL RESOURCES

Environmental Message: Working with CEQ and speechwriters on draft. Decision memorandum will be circulated to senior staff on April 22, and ready for the President by Tuesday, April 26 or Wednesday, April 27. Message would be ready to be given during the first two weeks in May.

Public Works Jobs Bill and Water Pollution Control Amendments: Working with OMB, Commerce, CEQ and Frank Moore to monitor progress of resolution of issues. Letter on Administration position being prepared for use if necessary.

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Corps of Engineers Reform: Core group of CEQ, OMB, Domestic Council and Corps began this week to map out work plan for developing reform proposals.

Water Projects: Working with Frank Moore's staff on legislative strategy.

Energy Legislation: Working with Schlesinger's staff to complete clearance of legislative proposals and detailed report on the plan.

Dam Safety: Coordinating with OMB and agencies to develop Administration position on dam safety. Proposed Presidential memorandum to agencies now being reviewed by senior staff.

HOUSING AND URBAN AFFAIRS

Fanny Mae: Memo to President on increasing public representation on Board of Directors by April 26.

Financial Institutional and Housing Finance Reform: Memo to President by May 2.

Urban Policy Task Force: Decision on work assignments by April 28, first papers due May 21.

FY 78 Community Development and Assisted Housing Program: Developing legislative strategy on budget cuts.

New York City Financing: Continuing to develop long-term options.

White House Conference on Balanced Growth and Economic Development: Working with Commerce, HUD, Agriculture and Jack Watson's staff on coordinating and avoiding duplication in public hearings of this Conference, the Urban Growth Report and Rural Development Report. Departments to have outline of work items by end of April.

White House Neighborhood Workshop: Preparing outline of objectives and agenda for this Conference. Should be complete by mid-May. Working in cooperation with Midge Costanza.

CIVIL RIGHTS AND JUSTICE

Undocumented Aliens: Task force continues to meet. A memo from the Attorney General and Secretaries of Labor, HEW and State will be in to you April 29.

Special Prosecutor: Memo to you April 23.

Equal Employment Reorganization: Continue meeting with task force.

Wiretapping: Justice will have legislation ready soon.

Law Enforcement Assistance Administration: On April 28 or 29 the House will consider a Holtzman Amendment to restore the Budget Committee's \$200 million cut in LEAA funds.

Privacy: Justice position on HR 214 is still being discussed by Justice. We will have a memo to you as soon as we know their position.

Magistrates: Justice bill increasing the authority of US magistrates in black lung and social security cases will be at OMB within two weeks.

Drugs: DEA will submit three bills to OMB, one of which includes a controversial preventive detention measure. It is being reviewed first by Peter Bourne.

Other Legislative Proposals: Justice continues to work on grand jury reform, handgun legislation, revision of criminal code.

GOVERNMENT REFORM

International Aviation: Policy is being planned for Presidential review of international decisions to maximize competition and reduce fares.

Consumer Matters

Standing and Class Actions: DOJ and Esther Peterson to work with Hill (and other agencies) to develop proposals.

Package of Substantive Consumer Reforms: Task Force met April 15. No firm target for proposals to you established yet.

Regulatory Reform Projects

Surface Transport Deregulation: Decision memorandum to President April 22.

Review of Anti-Carcinogen Statutes and Programs: CEA has prepared draft memo to determine next step.

Economic Impact Analysis Procedure: Working with EPG Subcommittee to develop proposal for EPG to recommend to you for executive order.

Banking Reform: Decision memo week of April 25.

Integrity and Openness Matters

Conflict of Interest Legislative Package: Task Force preparing decision memo for you. Target date April 22.

Lobbying Disclosure: Memorandum sent to you April 19.

Implementation of Openness Memo:

- a. Logging Executive Order: DOJ has prepared memo.

Implementation of Openness Memo (cont.):

b. Classification Decisions: Working with NSC to draft memorandum establishing interagency task force.

c. FOIA Liberalization: DOJ to draft executive order.

Reorganization Matters

Advisory Committees Review: Reports from agencies due April 15. Report for President to be prepared soon.

Reorganization Watch: Status Report Number 3 complete.

Election Reform Matters

Universal Voter Registration: Working with VP staff. Bell testified April 6 in House. Invited to testify in Senate May 4.

ECONOMICS AND BUSINESS

Corporate Bribery Legislation: We are monitoring the progress of this legislation.

Trade Adjustment Assistance: We are working with Commerce, Labor and STR to meet your commitment in the shoe case to improve this program and recommend new legislation, if necessary.

Color TV Tariff: Strauss negotiating with the Japanese.

Arab Boycott: We are working on a possible compromise on the bill that will be considered in the Senate soon. Talking to business and Jewish groups.

TRANSPORTATION AND LABOR

Aircraft Noise: Option paper to you today.

Federal Employee Bargaining Rights: Option paper by May 1.

Labor Law Reform: Analysis of proposed legislation by May 1.

TRANSPORTATION AND LABOR (Cont.)

Coal Slurry Pipeline: Decision memo to you April 25.

AGRICULTURE

Sugar: We have memos from EPG and Bergland in-hand; the STR analysis of the ITC report and the Farm Bureau petition for removal of sugar from GSP are due Thursday, April 21. Decision memo to the President by Saturday, April 23.

Farm Bill: Our amended proposal was well received by Senator Talmadge and Congressman Foley though persuading members is an uphill battle. USDA is working closely with Committees in mark-up.

THE WHITE HOUSE
WASHINGTON

ACTION
FYI

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<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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<input type="checkbox"/>	VOORDE

done

THE WHITE HOUSE
WASHINGTON

April 22, 1977

Frank Moore

The attached was returned in
the President's outbox and is
forwarded to you for your
information.

Rick Hutcheson

Re: Proposed Calls to Tip O'Neill
and Senator Byrd

THE WHITE HOUSE
WASHINGTON

ACTION	FYI		
		MONDALE	ENROLLED BILL
		COSTANZA	AGENCY REPORT
		EIZENSTAT	CAB DECISION
		JORDAN	EXECUTIVE ORDER
		LIPSHUTZ	Comments due to
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		POWELL	48 hours; due to
		WATSON	Staff Secretary
			next day

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	HARDEN		SIEGEL
	HOYT		SMITH
	HUTCHESON		STRAUSS
	JAGODA		WELLS
	KING		VOORDE

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

April 21, 1977

*Agronsky - 9 pm
Byrd on Fri.*

*Frank -
done
J*

MEMORANDUM TO THE PRESIDENT

FROM:

FRANK MOORE *F m.*

On Wednesday, I spent some time with Senator Byrd. Byrd told me that he did not think he would have any problem with getting the energy package through by October, and that he had called the Speaker to ask for a leadership breakfast tomorrow to see if the Speaker would have any trouble.

This afternoon I talked to the Speaker's people and asked about the breakfast. They indicated that they would tell Byrd that the Speaker will have his package through the House by the August recess and put the burden on Byrd to get it through the Senate in September in order to adhere to the October goal. They are each putting pressure on the other.

Although it is not necessary, you may want to call Tip O'Neill and Senator Byrd tonight and ask for their reactions to the speech. You might say that Frank Moore told you about the leadership breakfast, and that you do not know what the subject is going to be but hope that they can come to a joint agreement on some legislative target dates for the energy package.

The Speaker appointed the Ad Hoc Committee on energy this afternoon. The members are: •Ashley (Ohio), Chairman;
•Bolling (Mo); •Staggers (WV); •Moss (Calif); •Reuss (Wisc);
•Vanik (Ohio); •Rogers (Fla); •Dingell (Mich); •Ullman (Ore);
•Young (Tx); •Rostenkowski (Ill); •Corman (Calif); •Udall (Ariz);
•Waggonner (La); •Bingham (NY); •Foley (Wash); •Eckhardt (Tex);
•McCormack (Wash); •Rangel (NY); •Charles Wilson (Tx); •Fisher (Va);
•Moffett (Conn); •Sharp (Ind); •Tsongas (Mass); •Mikulski (Md);
•Anderson (Ill); •Brown (Oh); •Horton (NY); •Wydler (NY); •Brown (Mi);
•Steiger (Wisc); •Collins (Ill); •Archer (Tx); •Martin (NC);
•Moorhead (Calif); •Edwards (Ok); and •Steers (Md).

A detailed analysis will follow.

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for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

April 22, 1977

Jim Schlesinger -

**The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.**

Rick Hutcheson

Re: Standby Gasoline Tax Rebate

THE WHITE HOUSE
WASHINGTON

ACTION
FYI

MONDALE
COSTANZA
EIZENSTAT
JORDAN
LIPSHUTZ
MOORE
POWELL
WATSON

ENROLLED BILL
AGENCY REPORT
CAB DECISION
EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
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IMMEDIATE TURNAROUND

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WELLS
VOORDE

THE PRESIDENT HAS SEEN.
THE WHITE HOUSE
WASHINGTON

Jim
J

MEMORANDUM FOR: THE PRESIDENT
FROM: JIM SCHLESINGER
SUBJECT: Standby Gasoline Tax Rebate

It may be important to settle the question of the use of funds raised by the standby gasoline tax before your press conference tomorrow. The options appear to be:

1. Return any revenues raised on a per capita basis through income tax energy payments, the attached Q&A provides a description of this proposal.
2. Leave the issue unsettled and decide how to use the funds at a later date.
3. State now that the funds will not be returned through any specific energy payments, but rather will go into general revenues.

Utilizing the funds for general revenues would be a significant step toward balancing the budget in future years. Draining these large amounts of money from the economy, however, without rebates or energy payments will be politically risky in terms of building support for the program.

The saleability of the program depends to a large degree on the public's understanding and acceptance of the energy payment system. In that regard, I believe it is essential that the Administration's intentions on use of these revenues be set forth as soon as possible.

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I would recommend returning the funds through energy payments on a per capita basis, the same way you are treating the well-head tax. However, if you decide to go the other way, I would urge that you make that clear now as opposed to leaving the question open and uncertain.

Per capita energy payments?	<u>✓</u>
General Revenues?	<u> </u>
Decide Later?	<u> </u>

Wellhead Tax Rebates

Q. How do the rebate provisions for the wellhead tax plan work?

A. -- The Plan is designed to return to American citizens the difference between real energy costs and the amount paid in the marketplace. Otherwise, realistic energy costs would result in windfall profits to producers.

-- Home heating oil users would receive their share of the wellhead tax as a reduction in price when they buy the oil. Every man, woman and child in America would receive the remainder of these energy-saving taxes back in the form of a per capita energy credit against their taxes as an energy payment.

-- For calendar year 1980, when the full tax is in effect, each citizen would be eligible for approximately a \$47 energy credit at the time they pay their taxes. For a family of four, this would amount to \$188.

-- The poor who do not pay taxes would also be entitled to their per person share of the tax revenues. To collect their energy payment they would apply to one of any number of existing State agencies through which federal funds are now distributed. It would be up to each state to designate which agency, or group of agencies, would have the responsibility for distributing energy payments. .

THE WHITE HOUSE
WASHINGTON

April 22, 1977

The Vice President

**The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.**

Rick Hutcheson

Re: Congressional Public
Financing

DETERMINED TO
MARKING BY

Joey

DATE *4-1/89*

THE WHITE HOUSE
WASHINGTON

confidential

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Comments due to
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48 hours; due to
Staff Secretary
next day

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common cause

2030 M STREET, N.W., WASHINGTON, D. C. 20036

John W. Gardner, Chairman

(202) 833-1200

THE PRESIDENT HAS SEEN.

MEMORANDUM

CONFIDENTIAL
To VP
Please help
with this
J

TO: The President

FROM: John W. Gardner

SUBJECT: Congressional Public Financing

DATE: April 22, 1977

1. The President's capacity to govern (e.g. to put through an energy program) is gravely threatened by the influence of special interest groups on Congressional decisions. The way to diminish that influence is Congressional public financing.

2. If Congressional public financing is to be operative for the 1978 elections, it must be passed by both Houses of Congress in 1977. The strategy of the opponents is to delay until action in 1977 is no longer possible. The issue is timing.

3. One possible way for the President to help. The President could meet with or personally contact the following key Members of Congress to urge that they treat the issue as a top priority for 1977:

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DETERMINED TO BE AN ADMINISTRATIVE
MARKING BY Jay

DATE 9/7/89

House Speaker Tip O'Neill
Majority Whip and House Administration
Committee Member, John Brademas
Chairman of the House Administration
Committee - Representative Frank Thompson
Senate Majority Leader Robert Byrd
Senate Majority Whip Alan Cranston
Senate Rules Committee Chairman, Howard Cannon

4. The issue presently slowing up consideration of Congressional public financing in the key House and Senate Committees is the universal voter registration bill. This is presently the Administration's top priority in the electoral reform area. Our goal is not to replace this priority but rather make sure that the Administration also treats Congressional public financing as a top priority for 1977. This is not presently happening, and the President can obviously make the difference in moving it up the priority ladder.

THE WHITE HOUSE
WASHINGTON

April 22, 1977

Tim Kraft -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Hamilton Jordan
Jody Powell

Re: West Coast Schedule
Proposals

THE WHITE HOUSE
WASHINGTON

ACTION	FYI		
		MONDALE	ENROLLED BILL
		COSTANZA	AGENCY REPORT
		EIZENSTAT	CAB DECISION
	X	JORDAN	EXECUTIVE ORDER
		LIPSHUTZ	Comments due to
		MOORE	Carp/Huron within
	X	POWELL	48 hours; due to
		WATSON	Staff Secretary
			next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON	X	KRAFT
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	BRZEZINSKI		LINDER
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	HOYT		SMITH
	HUTCHESON		STRAUSS
	JAGODA		WELLS
	KING		VOORDE

THE WHITE HOUSE
WASHINGTON

rick--

original memo has been
given to tim kraft.....
however i've not sent
anything to or notified
ham and jody

-- susan

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

*Tim-Ham-Jody
see me
J*

April 15, '77

To: President Carter

From: Tim Kraft *TK*

Subj: West coast schedule proposals

Attached, two schedule options for the west coast trip in mid-May.

Option 1 is a two-day trip (May 17-18)

Option 2 is a one-day trip (May 17)

Hamilton, Jody and I recommend the two-day option.

THE WHITE HOUSE
WASHINGTON

ACTION	FYI
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THE WHITE HOUSE
WASHINGTON

April 22, 1977

Stu Eizenstat
Jack Watson

The attached was returned in the
President's outbox and is forwarded
to you for your information and
appropriate action.

Rick Hutcheson

cc: Hamilton Jordan

Re: Joe Califano's Memo on
Principles of Welfare Reform

cc: Stu
Jack
J.C.

THE PRESIDENT HAS SEEN.
THE WHITE HOUSE
WASHINGTON

April 15, 1977

MEMORANDUM TO: THE PRESIDENT
FROM: Jack Watson *Jack*
SUBJECT: JOE CALIFANO'S MEMORANDUM ON
PRINCIPLES OF WELFARE REFORM

Attached is a memorandum from Joe Califano suggesting certain principles to guide welfare reform efforts. Also attached are:

- (1) a memorandum from Jim Parham summarizing the comments from various sources on each of Joe's proposed principles;
- (2) a brief comment from Stu;
- (3) a memorandum from Jim and me which attempts to frame a list of principles that we think reflects your basic goals for welfare reform.

Your sign-off on some set of principles will greatly help to focus and expedite Joe's further work on the welfare reform proposal.

Attachments

**Electrostatic Copy Made
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THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

April 11, 1977

1977 APR 12 PM 7 26

MEMORANDUM FOR THE PRESIDENT

FROM: JOE CALIFANO 

Let's try these principles to guide our welfare reform initiative:

1. Simplify administration and introduce efficient systems management by consolidating in one cash assistance program: SSI, AFDC, food stamps, "Section 8" housing, earned income tax credit, extended unemployment benefits (26 to 39 weeks). Amount: \$20.7 billion. ✓
2. Redirect CETA public service employment and training to jobs for the poorest people who can work. Amount: \$8 billion. ✓
3. Freeze the state supplement to AFDC and SSI at current level. Amount: \$8 billion. ✓
4. Provide a universal minimum federal benefit, with some variation to reflect different community costs of living. Try to use housing allowance as a way to reflect cost variations. ✓
5. No non-working family will have higher income than a comparable working family. ✓
6. Provide special health, education and training programs to those who need them to be prepared for redirected CETA jobs. ✓
7. Set up priorities for CETA jobs: e.g., first, two parent families with minor children; second, single parent families with children in secondary school, etc. ✓
8. Provide maximum incentive to work: if necessary, in the redirected CETA program; and provide incentive to move from redirected CETA jobs to private sector jobs. ✓

9. Place as many incentives as possible for keeping the family together and eliminate all incentives for breaking up the family. ✓

10. Use funding increments above zero-cost to increase equity and make package more politically attractive. ✓

Ray Marshall agrees with these principles and we are working to put together a detailed option(s) for your review.

cc: Secretary Marshall

(3)


THE WHITE HOUSE

WASHINGTON

April 13, 1977

C
/

MEMORANDUM TO: THE PRESIDENT

FROM: STU EIZENSTAT 
FRANK RAINES

SUBJECT: Secretary Califano's Memo on
Principles of Welfare Reform

In response to your request at the briefing on Monday, Secretary Califano has prepared a memorandum outlining ten principles to guide consideration of welfare reform. Secretary Marshall has prepared a memo commenting on the HEW memo.

We agree with Secretary Califano that the ten principles he sets forth can provide goals for the design of a welfare reform proposal. We also agree with Secretary Marshall's observation that the details of items 1 and 5 should be worked out in the design of a specific proposal. This difference can be reconciled by the two departments.

These memos do not require any action on your part. HEW and Labor are in the process of developing detailed options based on these principles. When they present those options the list of principles can be used as a basis to test the various options.

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(2)

Jack Watson
April 15, 1977
Page Four

"7. Set up priorities for CETA jobs: e.g., first, two parent families with minor children; second, single parent families with children in secondary school, etc."

(a) Secretary Marshall's memo expresses no disagreement.

(b) Staff agrees but points out that this principle is in some conflict with #5. If "A" wishes work and in fact volunteers for work, but we give the job to "B" who has a higher priority rating, why do we then insist that "A" get a benefit lower than "B"?

Because "A" is working.

"8. Provide maximum incentive to work: if necessary, in the redirected CETA program; and provide incentive to move from redirected CETA jobs to private sector jobs."

(a) Secretary Marshall agrees with the goal but again points up the need for room for exceptions.

(b) Staff concurs. *try to spell out*

"9. Place as many incentives as possible for keeping the family together and eliminate all incentives for breaking up the family." ✓

(a) Secretary Marshall agrees with the goal but points up the need for some room for possible exceptions.

(b) Staff concurs.

"10. Use funding increments for zero-cost to increase equity and make package more politically attractive."

(a) Secretary Marshall's addendum expresses no disagreement. ✓

(b) Staff concurs.

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Jack Watson
April 15, 1977
Page Three

"4. Provide a universal minimum federal benefit, with some variation to reflect different community costs of living. Try to use housing allowance as a way to reflect cost variations."

(a) Secretary Marshall's addendum expresses no disagreement.

(b) Everyone agrees with this, but we need to remember that without a high benefit, recipients in certain states will be threatened with loss unless the states agree to supplement the federal level. While this should pose no insuperable barrier, it will be a problem.

*inevitable
if proposition
5. applies*

"5. No non-working family will have higher income than a comparable working family."

(a) Secretary Marshall's addendum says this is "too tightly written." He agrees with the aim but says we should leave some room for exceptions.

which?

(b) Staff concurs with Secretary Marshall and feels that the principle should be stated positively rather than negatively: as a general proposition, families who work should have higher income than a comparable non-working family.

better

"6. Provide special health, education, and training programs to those who need them to be prepared for re-directed CETA jobs."

(a) Secretary Marshall's addendum expresses no disagreement.

(b) Staff expresses no disagreement, but it should be remembered that this adds substantially to the cost per job slot.

✓

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Jack Watson
April 15, 1977
Page Two

(b) You need to recall Charlie Shultze' warning that the \$8 billion proposed for CETA as part of the stimulus package was planned to diminish as the economy improved. ✓

(c) You also need to be aware that the movement of educationally and socially handicapped welfare recipients from public service employment to permanent employment in the private or public sector is extremely difficult--and especially so in a period of relatively high unemployment. ✓

(d) You also need to consider that tying the CETA jobs effort to the "welfare system" tends to de-emphasize the dire need for major reform of the manpower development-employment service system. In many ways, the contempt suffered by the "welfare system" (especially AFDC) is precisely because it is the repository for the failures of the education-employment-economic system (poor schools, job discrimination, high unemployment). These people shouldn't be "on welfare;" they ought to be in a reformed and redirected manpower development and employment system--couched in language that underlines a desire to provide effective opportunity for employment rather than forced work.

"3. Freeze the state supplement to AFDC and SSI at current level. Amount: \$8 billion."

(a) Secretary Marshall's addendum expresses no disagreement.

(b) You might wish to consider accomplishing full federal financing by proposing a fiscal "swap-out," with states using their relief to assume the costs of other programs currently financed by federal funds. ✓
ok
to
consider

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Concept may
be for them
to "graduate"
from welfare
to work
program (DOL)

THE WHITE HOUSE
WASHINGTON

April 15, 1977

MEMORANDUM FOR: Jack Watson *Jack Watson*
FROM: Jim Parham *Jim Parham*
SUBJECT: Comment on Secretary Califano's
Principles for Guiding Welfare Reform

"1. Simplify administration and introduce efficient systems management by consolidating in one cash assistance program: SSI, AFDC, food stamps, 'Section 8' housing, earned income tax credit, extended unemployment benefits (26 to 39 weeks). Amount: \$20.7 billion."

(a) Secretary Marshall's addendum expresses the thought that it is too early to be specific about the inclusions. It is too early, he says, to be sure that the consolidation should include the earned income tax credit or extended unemployment benefits. He agrees with the aim to simplify administration and be more efficient, but feels the number of programs to be consolidated will depend upon further design developments.

(b) You should be aware that folding into the "welfare system" the earned income tax credit, extended unemployment benefits, "Section 8 housing," and attaching CETA jobs will appear to be an expansion of the welfare system and will label as "welfare recipients" people who are not now so perceived.

"2. Redirect CETA public service employment and training to jobs for the poorest people who can work. Amount: \$8 billion."

(a) Secretary Marshall's addendum expresses ✓
no disagreement.

(1)

THE WHITE HOUSE
WASHINGTON

April 15, 1977

ok
J.C.

MEMORANDUM FOR: The President
FROM: Jack Watson *Jack*
Jim Parham *JP*
SUBJECT: Welfare Reform

We sense some genuine frustration on your part at the difficulty of putting together a welfare reform package. It is an area of public policy that arouses deep passions, and much of the controversy reflects historical legacies of slavery, segregation, poor schools, job discrimination, and economic exploitation.

We know you will not permit such frustration to impel you to a premature or forced judgment about a reform plan. We believe you have an historic opportunity to establish new ideals for social and economic justice that will set the pattern in this country for the next several decades. Judgment on such a vital issue should not be rushed. Unrealistic deadlines should be tempered until you have a proposal with which you are comfortable philosophically, intellectually and pragmatically.

As for "principles" or "assumptions" to guide Joe Califano and his planners, those you have stated in speeches for the past several years reflect a healthy national consensus and, we believe, are right on target. Framed as "principles," they include:

1. The purpose of welfare reform should be to encourage self-support; strengthen families; provide adequate subsistence resources; reduce the stigma associated with receipt of benefits; simplify and make more efficient the administration of the system; promote social and economic justice; and build national pride.

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The President
April 15, 1977
Page Two

2. Effective opportunity for productive, contributive employment, self-support and self-esteem is the first responsibility of an organized society.
3. To the extent feasible, responsibility for the employable group in the welfare population should be shifted to the manpower development-employment service system--both to free the welfare system of a burden it doesn't deserve and to emphasize the need for reform of the vocational training-employment service systems.
4. Reform plans should stress maximum incentive to work, and maximum effort should be made to move employables to private sector jobs. As a general proposition, work effort should be rewarded with higher relative income.
5. The working poor who labor every day, but by reason of life circumstance do not earn enough to adequately support their families, should be assisted in a manner that does not label them as "welfare recipients."
6. The stigma of "welfare" should be reduced by reserving the term for those who are not expected to be employed outside the home and keeping that group to the minimum number possible.
7. For those who, for reasons of age, handicap, or other circumstance, should not be expected to be employed outside their homes, society should provide an adequate subsistence allowance granted with dignity and as a matter of right.

The President
April 15, 1977
Page Three

8. Coverage should be extended as possible to cover all persons in economic need, including intact families, single individuals and childless couples; coverage should be responsive enough to help with emergency or unanticipated loss of income.
9. As revenues permit, a national federally-financed minimum payment should be established at a reasonable level, including feasible regional or local variations based on documented differentials in the cost of living.
10. As fiscal resources permit, the federal government should assume full financial responsibility for the basic national income maintenance system. This goal might be assisted by shifts in current patterns of financing with states' using relief from welfare costs to assume other federal costs.
11. Design of a reform plan should be based on a vision of an optimum program even if it is necessary to stage implementation in a series of steps over several years.
12. The reform plan should stress the development of incentives for preserving and strengthening families.

If you can indicate agreement with such a set of assumptions, we believe it would help focus and expedite the work of the planners.

Respectfully -
Jack

THE PRESIDENT HAS SEEN.
THE WHITE HOUSE
WASHINGTON

cc: Stu
Jack
J.C.

April 15, 1977

MEMORANDUM TO: THE PRESIDENT
FROM: Jack Watson *Jack*
SUBJECT: JOE CALIFANO'S MEMORANDUM ON
PRINCIPLES OF WELFARE REFORM

Attached is a memorandum from Joe Califano suggesting certain principles to guide welfare reform efforts. Also attached are:

- (1) a memorandum from Jim Parham summarizing the comments from various sources on each of Joe's proposed principles;
- (2) a brief comment from Stu;
- (3) a memorandum from Jim and me which attempts to frame a list of principles that we think reflects your basic goals for welfare reform.

Your sign-off on some set of principles will greatly help to focus and expedite Joe's further work on the welfare reform proposal.

Attachments



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

April 11, 1977

1977 APR 12 PM 7 26

MEMORANDUM FOR THE PRESIDENT

FROM: JOE CALIFANO *[Signature]*

Let's try these principles to guide our welfare reform initiative:

1. Simplify administration and introduce efficient systems management by consolidating in one cash assistance program: SSI, AFDC, food stamps, "Section 8" housing, earned income tax credit, extended unemployment benefits (26 to 39 weeks). Amount: \$20.7 billion. ✓
2. Redirect CETA public service employment and training to jobs for the poorest people who can work. Amount: \$8 billion. ✓
3. Freeze the state supplement to AFDC and SSI at current level. Amount: \$8 billion. ✓
4. Provide a universal minimum federal benefit, with some variation to reflect different community costs of living. Try to use housing allowance as a way to reflect cost variations. ✓
5. No non-working family will have higher income than a comparable working family. ✓
6. Provide special health, education and training programs to those who need them to be prepared for redirected CETA jobs. ✓
7. Set up priorities for CETA jobs: e.g., first, two parent families with minor children; second, single parent families with children in secondary school, etc. ✓
8. Provide maximum incentive to work: if necessary, in the redirected CETA program; and provide incentive to move from redirected CETA jobs to private sector jobs. ✓

9. Place as many incentives as possible for keeping the family together and eliminate all incentives for breaking up the family. ✓

10. Use funding increments above zero-cost to increase equity and make package more politically attractive. ✓

Ray Marshall agrees with these principles and we are working to put together a detailed option(s) for your review.

cc: Secretary Marshall

THE WHITE HOUSE
WASHINGTON

April 15, 1977

MEMORANDUM FOR: Jack Watson *Jack Watson*
FROM: Jim Parham *Jim Parham*
SUBJECT: Comment on Secretary Califano's
Principles for Guiding Welfare Reform

"1. Simplify administration and introduce efficient systems management by consolidating in one cash assistance program: SSI, AFDC, food stamps, 'Section 8' housing, earned income tax credit, extended unemployment benefits (26 to 39 weeks). Amount: \$20.7 billion."

(a) Secretary Marshall's addendum expresses the thought that it is too early to be specific about the inclusions. It is too early, he says, to be sure that the consolidation should include the earned income tax credit or extended unemployment benefits. He agrees with the aim to simplify administration and be more efficient, but feels the number of programs to be consolidated will depend upon further design developments.

(b) You should be aware that folding into the "welfare system" the earned income tax credit, extended unemployment benefits, "Section 8 housing," and attaching CETA jobs will appear to be an expansion of the welfare system and will label as "welfare recipients" people who are not now so perceived.

"2. Redirect CETA public service employment and training to jobs for the poorest people who can work. Amount: \$8 billion."

(a) Secretary Marshall's addendum expresses *✓* no disagreement.

Jack Watson
April 15, 1977
Page Two

(b) You need to recall Charlie Shultze¹ warning that the \$8 billion proposed for CETA as part of the stimulus package was planned to diminish as the economy improved. ✓

(c) You also need to be aware that the movement of educationally and socially handicapped welfare recipients from public service employment to permanent employment in the private or public sector is extremely difficult--and especially so in a period of relatively high unemployment. ✓

(d) You also need to consider that tying the CETA jobs effort to the "welfare system" tends to de-emphasize the dire need for major reform of the manpower development-employment service system. In many ways, the contempt suffered by the "welfare system" (especially AFDC) is precisely because it is the repository for the failures of the education-employment-economic system (poor schools, job discrimination, high unemployment). These people shouldn't be "on welfare;" they ought to be in a reformed and redirected manpower development and employment system--couched in language that underlines a desire to provide effective opportunity for employment rather than forced work.

*Concept may
be for them
to "graduate"
from welfare
to work
program (DOL)*

"3. Freeze the state supplement to AFDC and SSI at current level. Amount: \$8 billion."

(a) Secretary Marshall's addendum expresses no disagreement.

(b) You might wish to consider accomplishing full federal financing by proposing a fiscal "swap-out," with states using their relief to assume the costs of other programs currently financed by federal funds.

*ok
to
consider*

Jack Watson
April 15, 1977
Page Three

"4. Provide a universal minimum federal benefit, with some variation to reflect different community costs of living. Try to use housing allowance as a way to reflect cost variations."

(a) Secretary Marshall's addendum expresses no disagreement.

(b) Everyone agrees with this, but we need to remember that without a high benefit, recipients in certain states will be threatened with loss unless the states agree to supplement the federal level. While this should pose no insuperable barrier, it will be a problem.

*inevitable
if proposition
5. applies*

"5. No non-working family will have higher income than a comparable working family."

(a) Secretary Marshall's addendum says this is "too tightly written." He agrees with the aim but says we should leave some room for exceptions.

which?

(b) Staff concurs with Secretary Marshall and feels that the principle should be stated positively rather than negatively: as a general proposition, families who work should have higher income than a comparable non-working family.

better

"6. Provide special health, education, and training programs to those who need them to be prepared for re-directed CETA jobs."

(a) Secretary Marshall's addendum expresses no disagreement.

(b) Staff expresses no disagreement, but it should be remembered that this adds substantially to the cost per job slot.

✓

Jack Watson
April 15, 1977
Page Four

"7. Set up priorities for CETA jobs: e.g., first, two parent families with minor children; second, single parent families with children in secondary school, etc."

(a) Secretary Marshall's memo expresses no disagreement.

(b) Staff agrees but points out that this principle is in some conflict with #5. If "A" wishes work and in fact volunteers for work, but we give the job to "B" who has a higher priority rating, why do we then insist that "A" get a benefit lower than "B"? *Because "A" is working.*

"8. Provide maximum incentive to work: if necessary, in the redirected CETA program; and provide incentive to move from redirected CETA jobs to private sector jobs."

(a) Secretary Marshall agrees with the goal but again points up the need for room for exceptions.

(b) Staff concurs. *try to spell out*

"9. Place as many incentives as possible for keeping the family together and eliminate all incentives for breaking up the family." ✓

(a) Secretary Marshall agrees with the goal but points up the need for some room for possible exceptions.

(b) Staff concurs.

"10. Use funding increments for zero-cost to increase equity and make package more politically attractive."

(a) Secretary Marshall's addendum expresses no disagreement. ✓

(b) Staff concurs.


THE WHITE HOUSE

WASHINGTON

April 13, 1977

C
/

MEMORANDUM TO: THE PRESIDENT

FROM: STU EIZENSTAT 
FRANK RAINES

SUBJECT: Secretary Califano's Memo on
Principles of Welfare Reform

In response to your request at the briefing on Monday, Secretary Califano has prepared a memorandum outlining ten principles to guide consideration of welfare reform. Secretary Marshall has prepared a memo commenting on the HEW memo.

We agree with Secretary Califano that the ten principles he sets forth can provide goals for the design of a welfare reform proposal. We also agree with Secretary Marshall's observation that the details of items 1 and 5 should be worked out in the design of a specific proposal. This difference can be reconciled by the two departments.

These memos do not require any action on your part. HEW and Labor are in the process of developing detailed options based on these principles. When they present those options the list of principles can be used as a basis to test the various options.

THE WHITE HOUSE

WASHINGTON

April 15, 1977

ok
J.C.

MEMORANDUM FOR: The President

FROM: Jack Watson *Jack*
Jim Parham *JP*

SUBJECT: Welfare Reform

We sense some genuine frustration on your part at the difficulty of putting together a welfare reform package. It is an area of public policy that arouses deep passions, and much of the controversy reflects historical legacies of slavery, segregation, poor schools, job discrimination, and economic exploitation.

We know you will not permit such frustration to impel you to a premature or forced judgment about a reform plan. We believe you have an historic opportunity to establish new ideals for social and economic justice that will set the pattern in this country for the next several decades. Judgment on such a vital issue should not be rushed. Unrealistic deadlines should be tempered until you have a proposal with which you are comfortable philosophically, intellectually and pragmatically.

As for "principles" or "assumptions" to guide Joe Califano and his planners, those you have stated in speeches for the past several years reflect a healthy national consensus and, we believe, are right on target. Framed as "principles," they include:

1. The purpose of welfare reform should be to encourage self-support; strengthen families; provide adequate subsistence resources; reduce the stigma associated with receipt of benefits; simplify and make more efficient the administration of the system; promote social and economic justice; and build national pride.

The President
April 15, 1977
Page Two

2. Effective opportunity for productive, contributive employment, self-support and self-esteem is the first responsibility of an organized society.
3. To the extent feasible, responsibility for the employable group in the welfare population should be shifted to the manpower development-employment service system--both to free the welfare system of a burden it doesn't deserve and to emphasize the need for reform of the vocational training-employment service systems.
4. Reform plans should stress maximum incentive to work, and maximum effort should be made to move employables to private sector jobs. As a general proposition, work effort should be rewarded with higher relative income.
5. The working poor who labor every day, but by reason of life circumstance do not earn enough to adequately support their families, should be assisted in a manner that does not label them as "welfare recipients."
6. The stigma of "welfare" should be reduced by reserving the term for those who are not expected to be employed outside the home and keeping that group to the minimum number possible.
7. For those who, for reasons of age, handicap, or other circumstance, should not be expected to be employed outside their homes, society should provide an adequate subsistence allowance granted with dignity and as a matter of right.

The President
April 15, 1977
Page Three

8. Coverage should be extended as possible to cover all persons in economic need, including intact families, single individuals and childless couples; coverage should be responsive enough to help with emergency or unanticipated loss of income.
9. As revenues permit, a national federally-financed minimum payment should be established at a reasonable level, including feasible regional or local variations based on documented differentials in the cost of living.
10. As fiscal resources permit, the federal government should assume full financial responsibility for the basic national income maintenance system. This goal might be assisted by shifts in current patterns of financing with states' using relief from welfare costs to assume other federal costs.
11. Design of a reform plan should be based on a vision of an optimum program even if it is necessary to stage implementation in a series of steps over several years.
12. The reform plan should stress the development of incentives for preserving and strengthening families.

If you can indicate agreement with such a set of assumptions, we believe it would help focus and expedite the work of the planners.

Respectfully -
Jack

filed 4/72

C

CHAIRMAN OF THE CIVIL AERONAUTICS BOARD

ALFRED KAHN

(60, New York, New York)

Chairman, New York State Public Service Commission (74-77),
Chairman of the Department of Economics at Cornell University
(58-63), Author of Fair Competition, The Law and Economics
of Antitrust Policy (with J. B. Dirlam) 1954 (reprinted 1970);
The Economics of Regulation, Vol. I and II, 1970, 1971.
Ph.D. in Economics, Yale, 1942.

Comments:

George W. Wilson, transportation economist at Indiana
University: "Mr. Kahn is my number one choice; has done a
superb job with the Public Service Commission in New York;
bright; articulate; energetic; knowledgeable."

Reuben Robertson, Attorney, Aviation Consumer Action Project:
"Mr. Kahn is an extremely well-known regulator of public
utilities; very bright."

Ed Berlin, public interest environmental lawyer and member
of New York State Public Service Commission: "Mr. Kahn is
the best regulator in the country; tremendous presence,
tremendous judgment; very objective; very fair. He has
every required qualification; the dean of thoughtful
regulation in the country."

Stephen Breyer, Professor, Harvard Law School, advisor to
Senator Kennedy on CAB reform: "Mr. Kahn is a great man
and very distinguished; knows the economics of regulation.
No one could complain about this appointment. Gets along
well with people."

Richard Barber, President of Urban Talent Development:
"Mr. Kahn is very good and able. He probably would do well
with any regulatory body; has great administrative ability."

Peter Bradford, attorney with public utility commission in
Maine: "Mr. Kahn is in a class by himself; qualified for
any Federal agency. His present interest is in the communi-
cations area. He is highly respected; outstanding public
speaker."

Electrostatic Copy Made
for Preservation Purposes

RESUME

Alfred E. Kahn
New York, New York
B. Oct. 17, 1917 - 60 years

Education:

BA	New York University
MA	New York University
Ph.D	Yale (Economics)

Experience:

1974 - Present	Chairman, New York State Public Service Commission.
1969-74	Dean of College of Arts and Sciences, Cornell University.
1964-69	Member, Board of Trustees at Cornell University.
1958-63	Chairman, Department of Economics, Cornell University.

Principal Publications:

Fair Competition, The Law and Economics of Antitrust Policy (with J. B. Dirlam) 1954 (reprinted 1970).

The Economics of Regulation, Vol. I & II, 1970-71.

Numerous articles.

THE WHITE HOUSE
WASHINGTON

April 22, 1977

Stu Eizenstat
Bob Lipshutz

The signed letter reflecting the President's decision on the TWA CAB Decision has been given to Bob Linder for appropriate handling. This copy is for your information.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

ACTION
FYI

<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	COSTANZA
<input checked="" type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input checked="" type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	GAMMILL
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HOYT
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LANCE
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	B. RAINWATER
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	SCHULTZE
<input type="checkbox"/>	SIEGEL
<input type="checkbox"/>	SMITH
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	WELLS
<input type="checkbox"/>	VOORDE

THE WHITE HOUSE

WASHINGTON

April 21, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: BOB LIPSHUTZ
STU EIZENSTAT

RF
Sh

RE: TWA/CAB Suspension of Rate Decreases

This CAB order, which becomes effective unless you disapprove it by April 22, cancels a cargo rate decrease proposed by TWA. You have previously indicated your intention to disapprove such Board decisions in the absence of compelling circumstances.

In this case NSC believes that foreign policy reasons militate against vetoing the CAB order. Specifically, it appears that TWA's proposed decrease was in response to similar proposals made by British Airways. Since you have approved recent Board suspensions of British decreases, failure to suspend TWA's proposal could be seen as granting an unfair advantage to an American carrier. Alan Boyd's office also believes that the order should be approved because British decreases were not allowed and disapproval could have a marginally adverse impact on the bilateral negotiations with Britain. Other interested agencies have no objection to the CAB decision; DOT favors approval.

In any event, it is important that the CAB understand your general position concerning rate reductions. Given the foreign policy factors, we recommend that you sign the first attached letter which sets forth the overall policy--and states your intention to disapprove suspensions of rate decreases in the future--but "reluctantly" approves the TWA decision. You could, however, instead sign the second letter; it also spells out the policy but vetoes the TWA order.

_____ Approve CAB decision
for foreign policy
reasons but state
intention to disapprove
suspensions of rate
decreases in the future
(1st letter)
(Recommended)

_____ Disapprove CAB
decision
(2nd letter)



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

APR 19 1977

ACTION

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Civil Aeronautics Board Decision: Trans World Airlines, Inc.
Docket 30716

The Civil Aeronautics Board has found it in the public interest to suspend and investigate "cargo advance purchase" cargo air service rates proposed by Trans World Airlines (TWA) that would be below present rates. The Board's decision is based on an economic determination that the rates would not be economic and might be discriminatory. The Board's action is consistent with several prior decisions related to cargo air rates between the United States and the United Kingdom.

We have reviewed this case within the context of your recent policy guidance and have concluded that allowing the rates at issue could result in serious foreign policy consequences with regard to our relations with the United Kingdom. TWA's filing to reduce cargo air rates applicable to the United Kingdom is directly related to the unresolved controversy between the United States and United Kingdom on the level and structure of cargo air rates. The United Kingdom, through British Airways filings to the Board, has made several efforts in the last few months to achieve lower cargo air rates to the United States to enhance the competitive advantage of certain of its trade commodities and to attempt to divert surface freight to air.

The Board has suspended cargo rate filings applicable to United States-United Kingdom cargo rates as well as to closely competitive European points. British Airways, however, has disregarded the Board's suspension order and is presently charging the lower cargo rates. The Board has challenged British Airways in court and the matter is awaiting a final decision. (Civil Aeronautics Board, plaintiff against British Airways Board d/b/a, defendant, 77 civ. 1456 CSH (S.D.N.Y.)). TWA's filing was prompted by its desire to assure that its own cargo rates would be competitive in the event lower fares are permitted.

The State Department advises that Presidential overturn of the Board at this time when a United States carrier's competitive interests are at issue could impact on the current renegotiation of the aviation bilateral agreement between the United States and United Kingdom (Bermuda Agreement).

Specifically, if the President overturns the Board and allows a United States carrier to offer fares not available to United Kingdom carriers and which are presently in dispute in the courts, the United Kingdom might view such action as another example of a long string of inequities in aviation economic advantages between the two countries.

Agency Recommendations

The Departments of State, Defense, Justice, and Transportation; and the National Security Council have no objection to the Board's proposed order and recommend you approve the Board's decision by taking no action. The National Security Council, in addition, has concluded that permitting the rates at issue would be contrary to our foreign policy interests with the United Kingdom.

Judicial Review

Section 3(b) of Executive Order 11920 makes available an opportunity for judicial review of international aviation decisions approved by the President which affect United States carriers. This provision applies only if your approval is not based on significant defense or foreign policy considerations. Because foreign policy considerations have been identified, the opportunity for judicial review should not be made available.

OMB Recommendation


The Office of Management and Budget recommends that you approve the Board's decision by taking no action. We recognize that this recommendation is contrary to your recently articulated policy to permit the lowest possible air fares and encourage competition to the maximum extent feasible. However, on both foreign policy and economic grounds, we believe that use of this case as the vehicle to demonstrate a formal policy change in international aviation regulation is inappropriate. In this case, the Board's economic conclusions that the proposed rates would be below costs appear reasonable. We have no information with which to challenge the validity of the Board's economic conclusions.

Finally, we are concerned that this case, if chosen as a vehicle to introduce a policy change, would have far less impact than a passenger rate filing. Also, this case is interrelated with prior decisions upheld by the President and pending litigation against the designated flag carrier of the United Kingdom. Overturning the Board might

present conflicting signals to the Board, the United Kingdom and aviation community.

For clarity and consistency with Executive Order 11920, I also recommend that you sign the attached letter to the Chairman declaring that foreign policy considerations underlie your decision in this matter.

The Board's decision becomes final unless you disapprove the order on or before April 22, 1977.



Dennis O. Green
Associate Director for
Economics and Government

Attachments:

CAB letter of transmittal
CAB order
Letter to the CAB Chairman

Options and Implementation Actions:

- ☐ 1) Approve the Board's decision by taking no action but do not preserve the opportunity for judicial review by declaring that your decision is based on foreign policy considerations. (DOS, DOD, DOJ, DOT, NSC, OMB).
 - Take no action on the decision.
 - Sign the attached letter to the Chairman.
- ☐ 2) Disapprove.
 - Appropriate implementation materials to be prepared.
- ☐ 3) See me.

THE WHITE HOUSE
WASHINGTON

To Chairman John Robson

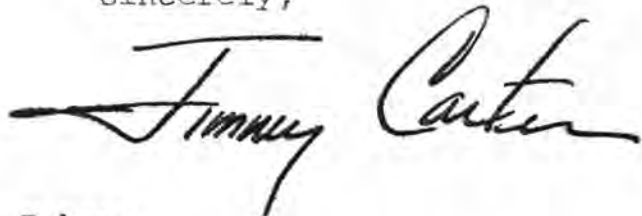
Under Section 801 of the Federal Aviation Act, I am responsible for reviewing the Civil Aeronautics Board's international aviation decisions. Several of the Board's recent decisions have suspended rate reductions proposed by carriers pursuant to Section 1002(j), as does your proposed order of April 11, 1977, cancelling certain reduced rates filed by Trans World Airlines, Inc. (Docket 30716).

As you know, one of this Administration's key objectives in the field of aviation is the encouragement of price competition among carriers, a policy which will yield substantial benefit to consumers. While special circumstances sometimes exist with respect to the international aviation environment, encouraging such competition is also an important element of our foreign economic policy.

As a general matter, therefore, I am opposed to suspensions or cancellations of fare or rate decreases in international aviation cases, and in the future I would expect to disapprove such suspensions in the absence of compelling circumstances. I would ask the Board to keep this policy in mind as it considers future applications by carriers for fare or rate decreases.

I have, however, reluctantly determined to refrain from disapproving the proposed TWA order of April 11. This decision is grounded upon reasons of foreign policy; since my intentions in this area have not previously been public, it would be unfair to grant rate reduction proposals to an American carrier after approving Board orders which suspended rate proposals filed by foreign carriers.

Sincerely,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is fluid and cursive, with the first name "Jimmy" and last name "Carter" clearly distinguishable.

The Honorable John E. Robson
Chairman
Civil Aeronautics Board
Washington, D.C. 20428